



ENERGY STAR Homes

ENERGY STAR - THE POWER TO PROTECT THE ENVIRONMENT THROUGH ENERGY EFFICIENCY

An ENERGY STAR® home is a solid investment that pays for itself.

- A recent analysis conducted by the University of Kentucky College of Agriculture & Kentucky Office of Energy Policy shows that a typical new home in Kentucky built to meet the state energy code in Kentucky is approximately 2,000 sq ft and costs \$886 to heat and cool over a year.
- If this home were built to meet or exceed the **ENERGY STAR** standard, the average heating and cooling bill would be \$496 per year. That's a reduction of 40 percent or \$390 per year!
- The additional cost to build an **ENERGY STAR** certified home is estimated to be \$1,763. A homeowner would actually **save** money by building an **ENERGY STAR** certified home because the additional cost, spread out over the life of a typical mortgage, is offset by the energy savings each month!



www.energystar.gov
www.energy.ky.gov



Kentucky
UNBRIDLED SPIRIT™



ASK ABOUT
ENERGY
STAR

It Pays to Buy ENERGY STAR!

You can increase your mortgage and put more money in your pocket – while enjoying a more comfortable new home!

How? By upgrading to an ENERGY STAR® home.

Here's how it works. Let's say you build a new \$150,000 home that meets the energy provisions of the Kentucky Residential Code. It is estimated that your annual heating and cooling costs for the home will be \$886.

Now, suppose you upgrade to an ENERGY STAR home – one that is at least 15 percent more energy efficient than the Code home – with an additional investment of \$1,763. Because your home is more energy efficient, you'll pay only \$496 a year in heating and cooling energy costs*.

This gives you a net positive cash flow from the first month you're in the home! The results below, calculated using [HomeCalc software](#)**, show the savings you can enjoy by building an ENERGY STAR home.

	Monthly	Yearly
Additional Mortgage	(\$15)	(\$175)
Heating/Cooling Savings	\$33	\$390
Tax Savings*	\$2	\$23
Net Cash Flow	\$20	\$238

You never talk payback with upgrades on counter tops, cabinets or carpets --- with ENERGY STAR you never stop talking about payback.....

	Compare Value	
	Base Home	ENERGY STAR Home
Sticker Price	\$150,000	\$151,763
Down Payment	\$13,000	\$13,000
Mortgage Amount	\$137,000	\$138,763
Mortgage Payment	\$1,147	\$1,161
Monthly Heating/Cooling Costs	\$74	\$41
Tax Savings***	NONE	(\$2)
Net Monthly Payments	\$1,220	\$1,200
Net Monthly Savings	NONE	\$20

Typical upgrades that bring a home to the ENERGY STAR level include a better thermal envelope (e.g. superior insulation, air sealing and high performance windows) and advanced heating and cooling equipment. Homeowners also report that these improvements create a more comfortable and healthier home.

*Annual energy costs are based on a recent residential energy analysis conducted by the University of Kentucky College of Agriculture & KOEP.

⚙️ Yearly figures may not equal 12 times the montly numbers due to rounding.

**Calculations are provided by the ENERGY STAR HomeCalc model at http://www.energystar.gov/index.cfm?c=bldrs_lenders_raters.pt_homecalc.

***The tax savings results from a larger federal income tax deduction from the additional interest on the larger mortgage for the ENERGY STAR home.

For more information about the ENERGY STAR program, contact:

Kentucky Office of Energy Policy
500 Mero Street - CPT 12th Floor
Frankfort, KY 40601

(800) 282-0868
www.energy.ky.gov

